

**Health and Family Services  
Community Based Services**

	<b>Revised FY 2006</b>	<b>Requested FY 2007</b>	<b>Requested FY 2008</b>	<b>Recommended FY 2007</b>	<b>Recommended FY 2008</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	300,236,700	351,040,500	371,284,400	314,483,500	331,009,300
Salary Compensation Fund	6,888,600				
<b>Total General Fund</b>	<b>307,125,300</b>	<b>351,040,500</b>	<b>371,284,400</b>	<b>314,483,500</b>	<b>331,009,300</b>
<b>Tobacco Settlement-Phase I</b>					
Tobacco Settlement - I	8,300,400	8,120,400	8,120,400	6,970,400	7,420,400
Continuing Appropriation	127,400				
Budget Reduction	-1,041,000				
<b>Total Tobacco Settlement-Phase I</b>	<b>7,386,800</b>	<b>8,120,400</b>	<b>8,120,400</b>	<b>6,970,400</b>	<b>7,420,400</b>
<b>Restricted Funds</b>					
Balance Forward	13,464,900	11,505,700	10,544,600	6,862,100	104,800
Current Receipts	125,577,500	136,116,600	133,442,400	134,691,300	136,443,500
Non-Revenue Receipts	-9,480,900	-6,465,800	-4,661,100	-7,942,800	-247,000
<b>Total Restricted Funds</b>	<b>129,561,500</b>	<b>141,156,500</b>	<b>139,325,900</b>	<b>133,610,600</b>	<b>136,301,300</b>
<b>Federal Funds</b>					
Balance Forward	11,373,900				
Current Receipts	503,240,100	534,742,300	546,789,300	517,995,000	525,423,000
<b>Total Federal Funds</b>	<b>514,614,000</b>	<b>534,742,300</b>	<b>546,789,300</b>	<b>517,995,000</b>	<b>525,423,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>958,687,600</b>	<b>1,035,059,700</b>	<b>1,065,520,000</b>	<b>973,059,500</b>	<b>1,000,154,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	245,277,400	282,652,800	297,816,600	249,072,200	252,428,800
Operating Expenses	44,006,300	49,110,900	50,006,500	41,483,700	41,510,400
Grants, Loans or Benefits	662,541,800	692,751,400	714,490,000	682,398,800	706,214,800
<b>TOTAL EXPENDITURES</b>	<b>951,825,500</b>	<b>1,024,515,100</b>	<b>1,062,313,100</b>	<b>972,954,700</b>	<b>1,000,154,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	307,125,300	351,040,500	371,284,400	314,483,500	331,009,300
Tobacco Settlement-Phase I	7,386,800	8,120,400	8,120,400	6,970,400	7,420,400
Restricted Funds	122,699,400	130,611,900	136,119,000	133,505,800	136,301,300
Federal Funds	514,614,000	534,742,300	546,789,300	517,995,000	525,423,000
<b>TOTAL EXPENDITURES</b>	<b>951,825,500</b>	<b>1,024,515,100</b>	<b>1,062,313,100</b>	<b>972,954,700</b>	<b>1,000,154,000</b>
<b>EXPENDITURES BY UNIT</b>					
Family Support	312,560,000	321,160,500	327,543,900	309,037,100	311,555,400
Child Support	52,277,600	60,858,100	61,438,300	53,024,600	53,711,100
Energy	31,177,000	28,840,500	28,842,600	28,840,500	28,842,600
Child Care	165,988,700	170,962,800	171,161,100	169,892,400	170,540,800
Family and Community Services	389,822,200	442,693,200	473,327,200	412,160,100	435,504,100
<b>TOTAL EXPENDITURES</b>	<b>951,825,500</b>	<b>1,024,515,100</b>	<b>1,062,313,100</b>	<b>972,954,700</b>	<b>1,000,154,000</b>

The Department for Community Based Services is responsible for administering the following programs: Family Support (including Temporary Assistance to Needy Families, Food Stamps, Medicaid Eligibility, and State Supplementation), Child Support, Energy Assistance, Child Care, and Family and Community Based Services (including Family Based Services, Adult Services and Alternatives for Children).

These programs benefit Kentuckians who, because of social, educational, mental, or physical impairments are without sufficient resources to meet their basic needs. The Department's mission is to preserve the family as a unit when possible and protect individuals from abuse, neglect, and exploitation with safety and permanency as the paramount goals.

**Health and Family Services  
Community Based Services  
Family Support**

	<b>Revised FY 2006</b>	<b>Requested FY 2007</b>	<b>Requested FY 2008</b>	<b>Recommended FY 2007</b>	<b>Recommended FY 2008</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	121,749,900	126,934,400	128,709,200	122,552,400	123,187,200
<b>Total General Fund</b>	121,749,900	126,934,400	128,709,200	122,552,400	123,187,200
<b>Restricted Funds</b>					
Balance Forward	5,386,600				
Current Receipts		450,000	450,000	450,000	450,000
Non-Revenue Receipts	11,836,700	18,098,300	19,065,400	16,089,900	16,291,800
<b>Total Restricted Funds</b>	17,223,300	18,548,300	19,515,400	16,539,900	16,741,800
<b>Federal Funds</b>					
Balance Forward	1,511,500				
Current Receipts	172,075,300	175,677,800	179,319,300	169,944,800	171,626,400
<b>Total Federal Funds</b>	173,586,800	175,677,800	179,319,300	169,944,800	171,626,400
<b>TOTAL SOURCE OF FUNDS</b>	312,560,000	321,160,500	327,543,900	309,037,100	311,555,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	101,830,500	117,037,900	123,047,300	102,900,300	103,868,100
Operating Expenses	19,031,800	19,816,700	19,902,600	17,791,000	17,816,000
Grants, Loans or Benefits	191,697,700	184,305,900	184,594,000	188,345,800	189,871,300
<b>TOTAL EXPENDITURES</b>	312,560,000	321,160,500	327,543,900	309,037,100	311,555,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	121,749,900	126,934,400	128,709,200	122,552,400	123,187,200
Restricted Funds	17,223,300	18,548,300	19,515,400	16,539,900	16,741,800
Federal Funds	173,586,800	175,677,800	179,319,300	169,944,800	171,626,400
<b>TOTAL EXPENDITURES</b>	312,560,000	321,160,500	327,543,900	309,037,100	311,555,400
<b>EXPENDITURES BY UNIT</b>					
Food Stamps	55,236,100	62,350,700	65,329,500	54,277,300	54,932,100
Medical Assistance	31,769,800	36,325,700	38,259,900	32,309,100	32,714,500
State Supplementation	21,776,800	21,807,800	22,101,300	21,774,400	22,055,600
TANF	203,777,300	200,676,300	201,853,200	200,676,300	201,853,200
<b>TOTAL EXPENDITURES</b>	312,560,000	321,160,500	327,543,900	309,037,100	311,555,400

The Family Support Program consists of the following programs: Temporary Assistance to Needy Families (TANF), Food Stamps, Medicaid Eligibility, and State Supplementation.

The National Voter Registration Act of 1993, also known as the Motor-Voter Act, requires agencies that deliver services to persons with disabilities or provide benefits under the Kentucky Transitional Assistance Program; Women, Infants and Children Program; Medicaid; or Food Stamps; as well as Armed Forces Recruiting Stations and driver licensing stations to make available voter registration applications to their clients. These agencies are mandated to distribute voter registration forms, provide assistance in completing these forms, and ensure completed forms reach the proper state election office for processing.

**Temporary Assistance for Needy Families (TANF)**

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL 104-193) amended and combined Title IV-A (AFDC) and Title IV-F (JOBS) of the Social Security Act to provide block grants to states for TANF. These Federal Funds support the program's administrative and benefit expenditures that include personnel, operating, and indirect cost;

contracts with partnering agencies; cash assistance subsidies; supportive services; child care; and transportation. A Maintenance of Effort requirement mandates that states spend an amount equal to or greater than 80 percent of fiscal year 1994 expenditures. For Kentucky, this amount is \$71.9 million. Congress is expected to reauthorize the welfare reform program but there may be significant changes including increasing the number of hours of participation, narrowing of direct work activities, and universal participation requirements.

The Kentucky Transitional Assistance Program (K-TAP) is the Commonwealth's cash assistance program for families with a dependent child who is deprived of parental support due to the continued absence, unemployment, incapacity, or death of one or both parents. Eligibility requirements include residency, age, and enumeration. Monthly payments are designed to help adults find a job or obtain training that leads to employment. Gross income must fall below a level appropriate for the family's size, and total family resources cannot exceed agency limits.

The Kentucky Works Program assists recipients with their transition into the workforce and attainment of self-sufficiency. Adults receiving K-TAP benefits must participate in this program and, with the help of a case manager, develop a Transitional Assistance Agreement. Kentucky Works Program activities include employment, on-the-job training, work experience training programs, a job search/job readiness component, vocational training or other educational services, community service, high school completion for teen parents, and other activities necessary to prepare for employment. Referrals to providers of transportation, child care, and supportive services such as car repairs and supplies ensure that individuals are able to take part in this program.

Safety Net Services are available to former K-TAP families who lose cash assistance as a result of time limits or failure to complete an assessment for Kentucky Works. Families with an income at or below 200 percent of the federal poverty level can access temporary benefits to meet basic needs such as shelter, food, clothing, or utilities. A total of \$635 may be authorized for four months during a 12-month period.

The Family Alternatives Diversion Program (FAD) provides an alternative for families, who, while otherwise eligible, choose not to receive K-TAP cash assistance. A maximum of \$1,300 is available to assist the family with immediate needs such as food, shelter, transportation, etc. These benefits may be authorized for a three-month period. FAD may be approved once during a 24-month period.

The Kinship Care Program provides financial assistance and support services to non-parental relatives caring for children who cannot remain in the home of their parents due to abuse, neglect, or the death of both parents. An initial, one-time amount is available to address each child's immediate needs in this new environment.

Efforts continue to partner with local communities to achieve the goals of self-sufficiency, protection, and permanency for Kentucky's families. The flexibility of the TANF block grant has allowed the Department to pursue initiatives such as change management and organizational restructuring and, as a result, better address the needs of those striving to escape a life of dependency.

## **Food Stamps**

The Food Stamp program, authorized by the Food Stamp Act of 1997 (PL 95-113), helps low-income persons purchase food for a nutritional diet. It is designed to promote the general welfare and safeguard the health and well-being of the nation's population by raising nutritional levels among low-income households. A household, which is defined as any individual, family, or group of people living with each other who buy and prepare food together, must meet eligibility standards.

The Food Stamp Employment and Training (FS E&T) program is designed to assist able-bodied food stamp recipients obtain employment that leads to self-sufficiency. This initiative, mandated in 1987 as a result of amendments to the Food Stamp Act, requires that work registrants in the 63 FS E&T designated counties participate in either vocational education training or a Work Experience Program. The remaining counties received waivers for E & T participation due to unemployment rates greater than ten percent. In August 1997, Public Law 105-33 amended the Food Stamp Act and the Food Stamp Employment and Training Program to mandate that 80 percent of federal FS E&T funding be spent on able-bodied adults between the ages of 18-49 who lack dependents, are placed in and comply with the requirements of a work program, and meet the eligibility standards of 7 U.S.C. 2015(o). The Farm Security and Rural Investment Act of 2002 (PL 107-171) subsequently eliminated the 80 percent employment and training requirement, but Kentucky continues to serve only able-bodied adults without dependents.

## **Medicaid Eligibility**

The Department for Community Based Services (DCBS), using staff in field offices located in each Kentucky county, determines eligibility for the Medicaid program under a contract with the Department for Medicaid Services. The Medicaid program is authorized under Title XIX of the U.S. Social Security Act and KRS 205.520.

## State Supplementation

The State Supplementation Program, authorized by KRS 205.245, provides financial support to aged, blind, or disabled individuals who have insufficient income to meet their needs in a licensed personal care home or family care home, or to purchase caretaker services designed to prevent institutionalization. To be eligible, persons must meet the criteria of the Social Security Income program related to age, blindness or disability as well as additional requirements associated with citizenship, Kentucky residency, enumeration and special needs.

## Policy

The Governor's budget recommendation includes General Fund in the amount of \$277,500 in fiscal year 2008 to support the annual cost of living adjustment provided for State Supplementation recipients.

The state funded portion of the Medicaid Eligibility contract included above shall be transferred from the Department for Medicaid Services as follows:

	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2008</u>
State Funds	\$16,089,900	\$16,291,800
Federal Funds	<u>16,219,200</u>	<u>16,422,700</u>
Total Medicaid Eligibility Contract	\$32,309,100	\$32,714,500

**Health and Family Services  
Community Based Services  
Child Support**

	<b>Revised FY 2006</b>	<b>Requested FY 2007</b>	<b>Requested FY 2008</b>	<b>Recommended FY 2007</b>	<b>Recommended FY 2008</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,678,000	5,798,700	5,995,900	4,678,000	4,678,000
<b>Total General Fund</b>	4,678,000	5,798,700	5,995,900	4,678,000	4,678,000
<b>Restricted Funds</b>					
Balance Forward	5,161,300	4,643,600	3,937,800		
Current Receipts	7,904,200	13,906,000	13,721,600	13,319,500	18,104,700
<b>Total Restricted Funds</b>	13,065,500	18,549,600	17,659,400	13,319,500	18,104,700
<b>Federal Funds</b>					
Balance Forward	1,948,800				
Current Receipts	32,585,300	40,447,600	40,830,600	35,027,100	30,928,400
<b>Total Federal Funds</b>	34,534,100	40,447,600	40,830,600	35,027,100	30,928,400
<b>TOTAL SOURCE OF FUNDS</b>	52,277,600	64,795,900	64,485,900	53,024,600	53,711,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	7,520,000	8,631,100	9,146,600	7,706,000	7,823,700
Operating Expenses	3,919,400	5,261,100	5,261,100	3,919,400	3,919,400
Grants, Loans or Benefits	40,838,200	46,965,900	47,030,600	41,399,200	41,968,000
<b>TOTAL EXPENDITURES</b>	52,277,600	60,858,100	61,438,300	53,024,600	53,711,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,678,000	5,798,700	5,995,900	4,678,000	4,678,000
Restricted Funds	13,065,500	14,611,800	14,611,800	13,319,500	18,104,700
Federal Funds	34,534,100	40,447,600	40,830,600	35,027,100	30,928,400
<b>TOTAL EXPENDITURES</b>	52,277,600	60,858,100	61,438,300	53,024,600	53,711,100

The Child Support Program under Title IV-D of the Social Security Act (PL 93-647) is designed to ensure that children are financially supported by parents who are legally obligated to pay child support. Both the state and federal governments share costs to conduct this program. State statutes governing the operation of this program were enacted under the Kentucky Child Support Recovery Act and are contained in KRS 205.710 - KRS 205.800.

The core functions of the child support program include locating parents; establishing paternity; establishing, enforcing, and modifying child support orders; and collecting and disbursing child support payments. Program responsibilities include the establishment and enforcement of medical support as well as the enforcement and collection of spousal support. In addition to traditional judicial processes, state and federal laws allow the Child Support Program to accomplish its mission through administrative processes such as in-hospital paternity establishment, wage assignments, liens and levies on personal property and assets, and offsetting tax refunds and unemployment benefits. The Division of Child Support maintains program administration contracts with 110 county officials to provide child support collection locally.

Child support services are automatically provided to families receiving assistance under the Kentucky Transitional Assistance Program (K-TAP) or Medicaid, and for children placed in the care of the Cabinet for Health and Family Services. Payment collected for families receiving K-TAP and children in the care of the Cabinet for Health and Family Services is used to reimburse the state and federal governments for benefits expended on behalf of those families and children. Families that do not participate in the cash or medical assistance programs may also apply for child support services at no cost to the family.

Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, created new requirements for the child support program. Through contracts with private vendors, this program receives new-hire

information from employers and asset data from financial institutions. A state case registry has been established and data is transmitted to the federal case registry to assist in locating out-of-state parents. The State Disbursement Unit is a centralized collection site for all child support payments, including non-Title IV-D wages. These are private child support cases in which payments are withheld from the parent's wages. State services provided in these cases are limited to receiving payments from the employer, disbursing the payment to the family, and maintaining fiscal records.

The Personal Responsibility and Work Opportunity Reconciliation Act also revised the method for calculating incentive payments from one that focused solely on program processes to one based on program outcomes. Under this new plan, a pool of funds has been created for incentive payments to all states. However, only those states which meet the performance criteria in each of five program areas are eligible to receive a portion of the pool.

**Health and Family Services  
Community Based Services  
Energy**

	<b>Revised FY 2006</b>	<b>Requested FY 2007</b>	<b>Requested FY 2008</b>	<b>Recommended FY 2007</b>	<b>Recommended FY 2008</b>
<b>SOURCE OF FUNDS</b>					
<b>Federal Funds</b>					
Balance Forward	2,200				
Current Receipts	31,174,800	28,840,500	28,842,600	28,840,500	28,842,600
<b>Total Federal Funds</b>	31,177,000	28,840,500	28,842,600	28,840,500	28,842,600
<b>TOTAL SOURCE OF FUNDS</b>	31,177,000	28,840,500	28,842,600	28,840,500	28,842,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	364,500	415,200	439,700	371,500	379,500
Operating Expenses	71,300	74,100	75,000	74,100	75,000
Grants, Loans or Benefits	30,741,200	28,351,200	28,327,900	28,394,900	28,388,100
<b>TOTAL EXPENDITURES</b>	31,177,000	28,840,500	28,842,600	28,840,500	28,842,600
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Funds	31,177,000	28,840,500	28,842,600	28,840,500	28,842,600
<b>TOTAL EXPENDITURES</b>	31,177,000	28,840,500	28,842,600	28,840,500	28,842,600
<b>EXPENDITURES BY UNIT</b>					
LIHEAP	23,644,200	20,454,900	20,458,400	20,454,900	20,458,400
Weatherization	7,532,800	8,385,600	8,384,200	8,385,600	8,384,200
<b>TOTAL EXPENDITURES</b>	31,177,000	28,840,500	28,842,600	28,840,500	28,842,600

The Low Income Home Energy Assistance Program and the Weatherization Assistance Program administered through the Department for Community Based Services are federally funded programs that help low-income households meet the cost of energy expenses through direct fuel bill subsidies or energy conservation repairs to their homes.

The Home Energy Assistance Program, authorized by KRS 205.400, provides support with home heating/cooling costs for low-income households. Eligibility criteria include: income that does not exceed 110 percent of the federal poverty level; resources that total less than \$1,500 (or \$4,000 if there is a catastrophic illness in the household); and the responsibility for home heating expenses. This program is divided into two segments: Subsidy, which provides heating assistance benefits to eligible households; and Crisis, which is designed to assist any low-income family experiencing a home energy emergency. Services include accepting applications, determining eligibility, implementing an outreach component, and coordinating this program with other energy assistance initiatives.

The Weatherization Assistance Program is designed to reduce energy consumption, lower heating bills, and ensure the health and safety of families whose annual income is at or below 125 percent of the federal poverty level. Funds are provided to conduct energy audits and heat system safety tests and repairs, reduce air infiltration, install insulation, and perform other energy-related conservation measures.

### Policy

The Governor's budget recommendation includes additional Federal Fund money in the amount of \$7,996,000 in fiscal year 2006 to provide home heating assistance to low-income families.



**Health and Family Services  
Community Based Services  
Child Care**

	<b>Revised FY 2006</b>	<b>Requested FY 2007</b>	<b>Requested FY 2008</b>	<b>Recommended FY 2007</b>	<b>Recommended FY 2008</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	20,363,000	20,363,000	20,363,000	20,363,000	20,363,000
<b>Total General Fund</b>	20,363,000	20,363,000	20,363,000	20,363,000	20,363,000
<b>Tobacco Settlement-Phase I</b>					
Tobacco Settlement - I	8,120,400	8,120,400	8,120,400	6,970,400	7,420,400
Budget Reduction	-1,041,000				
<b>Total Tobacco Settlement-Phase I</b>	7,079,400	8,120,400	8,120,400	6,970,400	7,420,400
<b>Restricted Funds</b>					
Balance Forward	234,600	209,500	184,400	209,500	104,800
Current Receipts	78,000	78,000	78,000	78,000	78,000
<b>Total Restricted Funds</b>	312,600	287,500	262,400	287,500	182,800
<b>Federal Funds</b>					
Balance Forward	1,008,200				
Current Receipts	137,435,000	142,376,300	142,574,600	142,376,300	142,574,600
<b>Total Federal Funds</b>	138,443,200	142,376,300	142,574,600	142,376,300	142,574,600
<b>TOTAL SOURCE OF FUNDS</b>	166,198,200	171,147,200	171,320,400	169,997,200	170,540,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	9,795,600	9,998,000	10,096,800	9,836,100	9,856,900
Operating Expenses	588,700	602,700	617,000	468,400	469,200
Grants, Loans or Benefits	155,604,400	160,362,100	160,447,300	159,587,900	160,214,700
<b>TOTAL EXPENDITURES</b>	165,988,700	170,962,800	171,161,100	169,892,400	170,540,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	20,363,000	20,363,000	20,363,000	20,363,000	20,363,000
Tobacco Settlement-Phase I	7,079,400	8,120,400	8,120,400	6,970,400	7,420,400
Restricted Funds	103,100	103,100	103,100	182,700	182,800
Federal Funds	138,443,200	142,376,300	142,574,600	142,376,300	142,574,600
<b>TOTAL EXPENDITURES</b>	165,988,700	170,962,800	171,161,100	169,892,400	170,540,800

Under KRS Chapter 199, the Department for Community Based Services, through the Division of Child Care, manages day care services in the Commonwealth. The child care services are designed to promote, expand, and improve the quality of care for children in Kentucky and ensure that families most in need have access to high quality child care which is developmentally appropriate, affordable, and safe. In the context of comprehensive family services, child care is one of the support services directed at:

- Preventing or remedying abuse, neglect or exploitation of children,
- Preventing family dissolution,
- Preventing out-of-home placements,
- Providing early educational opportunities for at-risk children, and
- Strengthening and maintaining client families.

Priorities for allocation of available funds have been to meet protective services child care and child care needs for work participation requirements for the families receiving benefits through the Kentucky Temporary Assistance Program (K-TAP). Failure to meet participation requirements would result in substantial penalties and the loss of Federal Funds. After these priorities are met, remaining funds are used to provide child care subsidies for low-income working parents. This includes

families who are transitioning from K-TAP and those who would be at risk of becoming dependent on K-TAP if child care were not available.

The cost of services for working parents is partially offset by a sliding fee scale under which parents pay a portion of the expense based on their income and family size. Child care assistance provided to families as a result of protective services is available without regard to income. In addition, child care is provided for 12 months following discontinuance of K-TAP benefits due to employment.

The Cabinet's Division of Child Care collaborates with the Division of Early Childhood Development Services and other public and private entities in the development and implementation of the Early Childhood Development initiatives. A portion of the tobacco settlement funds may be used to match Federal Funds to support various quality initiatives. Early care and education have been enhanced through a voluntary, research based, four star child care quality rating system (STARS for KIDS NOW) for centers and certified family child care homes. This program includes quality incentives and achievement awards for participants. Increased quality, availability, and affordability of training for all early care and education professionals has been supported by a seamless statewide system of professional development that includes core content, credentials, scholarships, grants, awards, and articulation.

Successful attainment of national child care accreditation and credentials are indicators that a child care program provides quality services. The Division of Child Care is committed to support the professional development of these providers through grants to pay national accreditation and credentialing fees. In addition, this division collaborates with the Kentucky Child Care Network (KCCN) to improve the number of quality child care resources in the Commonwealth. With the Division's assistance, KCCN provides technical support and training to childcare programs and serves as a resource for parents in obtaining quality childcare.

**Health and Family Services  
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	<b>Revised FY 2006</b>	<b>Requested FY 2007</b>	<b>Requested FY 2008</b>	<b>Recommended FY 2007</b>	<b>Recommended FY 2008</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	153,445,800	197,944,400	216,216,300	166,890,100	182,781,100
Salary Compensation Fund	6,888,600				
<b>Total General Fund</b>	160,334,400	197,944,400	216,216,300	166,890,100	182,781,100
<b>Tobacco Settlement-Phase I</b>					
Tobacco Settlement - I	180,000				
Continuing Appropriation	127,400				
<b>Total Tobacco Settlement-Phase I</b>	307,400				
<b>Restricted Funds</b>					
Balance Forward	2,682,400	6,652,600	6,422,400	6,652,600	
Current Receipts	117,595,300	121,682,600	119,192,800	120,843,800	117,810,800
Non-Revenue Receipts	-21,317,600	-24,564,100	-23,726,500	-24,032,700	-16,538,800
<b>Total Restricted Funds</b>	98,960,100	103,771,100	101,888,700	103,463,700	101,272,000
<b>Federal Funds</b>					
Balance Forward	6,903,200				
Current Receipts	129,969,700	147,400,100	155,222,200	141,806,300	151,451,000
<b>Total Federal Funds</b>	136,872,900	147,400,100	155,222,200	141,806,300	151,451,000
<b>TOTAL SOURCE OF FUNDS</b>	396,474,800	449,115,600	473,327,200	412,160,100	435,504,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	125,766,800	146,570,600	155,086,200	128,258,300	130,500,600
Operating Expenses	20,395,100	23,356,300	24,150,800	19,230,800	19,230,800
Grants, Loans or Benefits	243,660,300	272,766,300	294,090,200	264,671,000	285,772,700
<b>TOTAL EXPENDITURES</b>	389,822,200	442,693,200	473,327,200	412,160,100	435,504,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	160,334,400	197,944,400	216,216,300	166,890,100	182,781,100
Tobacco Settlement-Phase I	307,400				
Restricted Funds	92,307,500	97,348,700	101,888,700	103,463,700	101,272,000
Federal Funds	136,872,900	147,400,100	155,222,200	141,806,300	151,451,000
<b>TOTAL EXPENDITURES</b>	389,822,200	442,693,200	473,327,200	412,160,100	435,504,100
<b>EXPENDITURES BY UNIT</b>					
Family Based Services	95,033,600	111,830,400	117,844,700	97,202,000	98,757,800
Adult Services	32,784,500	36,186,400	37,239,000	32,917,900	33,126,200
Alternatives For Children	262,004,100	294,676,400	318,243,500	282,040,200	303,620,100
<b>TOTAL EXPENDITURES</b>	389,822,200	442,693,200	473,327,200	412,160,100	435,504,100

Family and Community Services provide support at the time of crisis to prevent the disruption of the family unit and to protect individuals from abuse, neglect, and exploitation.

The subprograms contained in Family and Community Services are Family Based Services, Adult Services, and Alternatives for Children. The legal authority for the program is in KRS Chapters 199, 209 (Adult Protection), and 600-645, and in Titles IV, XIX and XX of the Social Security Act.

## **Family Based Services**

Family-based services include child protection, reunification following out-of-home placement, home safety services, preventive services for families, community based juvenile services, family preservation services, mental health services through contracts with local comprehensive care centers, self-help services provided through local child abuse councils, and preventive assistance.

Child Protective Services safeguard the rights and welfare of abused, neglected or dependent children; aid parents or other responsible persons in recognizing and remedying conditions detrimental to the welfare of their children; and identify conditions that contribute to the neglect, abuse, or dependency of children. Child Protective Services are both preventive and corrective in nature. The Department is mandated to receive and investigate reports of the abuse or neglect of children.

Home Safety Services provide in-home support that prevents the disruption of a family unit.

Preventive Services to families who do not qualify for services under other program areas address a family's treatment needs before the situation has escalated to become abusive or neglectful.

The Preventative Assistance Program provides financial assistance to families facing a financial crisis that threatens the family or adult with disruption and out-of-home placement. The program provides a maximum of \$500 per family in a one-year period.

Family Preservation provides crisis intervention and intensive (5-20 hours per week) in-home services to families who have children at imminent risk of removal from their home. Family Reunification Services, which follow the same basic model with less intensive in-home services over a longer duration (up to 6 months), facilitate the successful return of children to the home and decrease the likelihood of repeated child placements.

Self-Help Groups provide support and education for parents in crisis or at risk of further abuse or neglect of children.

Juvenile Services in the Community provide an array of preventive and treatment services for children adjudicated as status offenders under KRS 630. Because status offender behaviors such as running away from home, being beyond parental control and truancy are most often indicative of prior abuse or neglect of the child, services are targeted at prevention of further abuse or neglect and interventions to curb the child's negative behaviors. Appropriate services may be provided directly by DCBS or arranged through local mental health centers, Family Resource and Youth Service Centers, community partnerships, private child care agencies, and other private providers in the community.

## **Adult Services**

Adult Services have three major components: protection, self-support and guardianship. Adult services are directed toward preserving the vulnerable individual's independence to the maximum degree possible and protecting him/her from abuse, neglect or exploitation pursuant to KRS 209. The elements of adult services are: 1) adult protection; 2) spouse abuse protection; 3) adult home safety services (which is the direct provision of home safety services to adults at risk or in need of protection); 4) interdisciplinary evaluations to determine an adult's degree of disability and need for guardianship; 5) services provided by spouse abuse centers and crisis centers; 6) alternate care (also called patient movement and placement) which involves assisting individuals with appropriate community and institutional placements; and 7) preventive services for adults which entails assessment, planning, and guidance to individuals referred by the courts, the Cabinet's ombudsman, neighbors, state and federal legislators or through a self-referral. This often involves finding food, shelter, clothing, and medical treatment. Adult Self-Support includes the Community Services Block Grant, which provides funding for emergency needs of economically disadvantaged citizens. This program helps to alleviate the stresses on the family unit resulting from poverty while promoting self-sufficiency. Adult Guardianship services are provided for legally disabled adult residents of Kentucky for whom the Cabinet has been appointed guardian or conservator. The staff of the Guardianship Branch act as advocates to assure that each client's civil and human rights are preserved and protected, care needs are met, living arrangements are appropriate, entitlement eligibility is maintained, and financial matters are managed.

Pursuant to KRS 209, anyone who knows or suspects that an adult, who because of mental or physical dysfunction, or a spouse (without regard to age) is being abused, neglected or exploited must report this information to the Cabinet for Health and Family Services. The Cabinet is required to investigate the report, notify local law enforcement officials, offer appropriate protection and support services, and maintain case records.

Interdisciplinary Evaluations are court ordered evaluations pursuant to KRS 387.540 performed by a qualified social worker, a physician and a psychologist to assess an adult's degree of disability and to report to the court regarding the need for guardianship.

Spouse Abuse Shelter Services are available in each of the 15 Area Development Districts under a contract between the department and the Kentucky Domestic Violence Association. Part of the funding for this element is provided by a portion of the

marriage license fee as authorized by KRS 209.160.

Alternate Care (also referred to as Placement and Movement) services are essential in providing preventive and protective services. For individuals no longer able to care for themselves or be cared for at home, long term care facility placement is often the best alternative or only solution. The Department for Community Based Services is involved in placement and movement of individuals into, between, and out of facilities. Placement and Movement denotes assistance provided to Medicaid-eligible individuals. Alternate Care denotes assistance to non-Medicaid eligible individuals.

It is estimated that approximately 56,000 Kentuckians need alternate care or placement and movement services each year. The majority of these individuals have family or friends to assist them in finding alternate living arrangements. The Department assists those individuals who are not able to locate appropriate placements. Alternate Care Services help ensure that persons are not inappropriately placed in a level of care exceeding their need and, thus, promotes cost effectiveness. These services also help ensure that persons assisted receive the care they require.

There are approximately 194 personal care homes and 115 family care homes in Kentucky. As part of Alternate Care, the Department's family service workers make quarterly site visits to each freestanding personal care home and all family care homes to see residents and determine if their social and related needs are being met. Staff also monitors bedfast-waivered individuals monthly. Bedfast-waivered individuals are persons who, because of special considerations, are permitted to remain in personal or family care homes even though their care needs exceed what these homes normally provide. The homes must make special arrangements, with a physician's concurrence, to meet the needs of bedfast-waivered persons.

### **Alternatives for Children**

Alternatives for Children provides placement resources for children who have been or are at risk of being abused or neglected. The legal authority for Alternatives for Children includes: KRS Chapters 199, 600 and 620, Titles IV-B and IV-E, and the Social Services Block Grant. Services are directed toward finding substitute care for children who must live apart from their family; working toward reuniting the child and family; and, if that is not possible, securing an alternative living arrangement which will provide permanency for the child.

Family Foster Care takes place in the home of an agency-approved family. The development of alternative resources such as the Families and Children Together Services (FACTS), Family Preservation Program, Kinship Care, and Preventative Assistance has reduced the trend of more children placed in out-of-home care.

Foster Parent Training, provided by DCBS staff and contractors, is required of all foster parents. Foster parents must complete 30 hours prior to approval and placement of a child and also are required to attend annual in-service training. Parents serving special needs or medically fragile children and those from family treatment homes are required to complete additional training. Care Plus Homes provide a setting where intensively trained foster parents furnish a viable alternative placement resource for children and youth who: have serious emotional problems; are due to be released from treatment facilities; display aggressive or destructive behaviors or other disruptive behaviors; are at risk of being placed in more restrictive settings; are at risk of institutionalization; or have experienced numerous placement failures. Medically Fragile Foster Care serves children who need medical treatment and continuous monitoring but do not necessarily require the daily services of a nurse or doctor. Foster parents caring for these children are provided an increased reimbursement and must meet additional training and certification requirements.

Independent Living services are specialized services, including classroom and experiential training, designed to enhance the self-sufficiency skills of older children in foster care, private child care and other state funded living arrangements. Services are provided both directly by staff and by contract agencies. As they complete each phase of the training, youth receive a stipend. In addition, youth ages 18-21 who were formerly in care may receive room and board assistance for a limited time.

Private Child Caring/Child Placing services and emergency shelter services are essential components of a protective service program that provides temporary placement services for children who are unable to remain in their own homes because of severe abuse, neglect, exploitation, abandonment, and/or because they have specialized treatment needs.

Adoption is the legal process by which a child becomes a legal child of a person or persons other than his/her biological parents. The department provides services prior to adoption in order to bring children and families together and services after adoption through after-placement supervisory services and adoption assistance.

The Adoption 2002 Initiative is a collaborative undertaking between the state and federal governments to double the number of children adopted or placed annually in other permanent homes over a five-year period. This joint effort is designed to engage federal, state, and local governments; child welfare and adoption professionals; community leaders; and other interested citizens in creative and meaningful activities to improve the lives of children by creating permanent homes for them.

The IMPACT Plus Program provides services for children who require treatment due to emotional diagnoses. Medicaid funds

support these services through agreements with specific providers. This program seeks to divert services from inpatient settings to the community level. All children in the IMPACT Plus Program have a team of parents, educators, therapists, social services workers, and others who meet to identify services that will meet the children's unique treatment needs. A health benefits administrator, contracted by the Department for Medicaid Services, certifies children as IMPACT Plus eligible and approves payment for services.

### **Policy**

Additional Federal Funds in the amount of \$8,638,400 are provided in fiscal year 2006 for care and support costs associated with projected increases in the number of children in state care.

The Governor's budget recommendation includes additional General Fund moneys in fiscal year 2007 in the amount of \$7.4 million and in fiscal year 2008 in the amount of \$22 million to provide out-of-home care services for increasing numbers of children in care.